

**ONE HUNDRED AND EIGHTY-FIFTH SCOTTISH NATURAL HERITAGE BOARD
MEETING, BOARD VIRTUAL MEETING SPACE, 06 MAY 2020**

OPEN SESSION CONFIRMED MINUTES

MEMBERS PRESENT

Mike Cantlay	Chair
Angus Campbell	Deputy Chair
Kate Broughton	Member
Bob Furness	Member
Ian Gillies	Member
Aoife Martin	Member
Susan Murray	Member
Neil Skene	Shadow Board Member

IN ATTENDANCE

Francesca Osowska	Chief Executive
Jane Macdonald	Director of Business Services & Transformation
Sally Thomas	Director of People & Nature
Robbie Kernahan	Director of Sustainable Growth
Stuart MacQuarrie	Deputy Director of Business Services & Transformation
Ross Johnston	Deputy Director of Sustainable Growth
Jason Ormiston	Head of External Affairs
Graham Boyle	Chief of Staff
Sara Lewis	Governance Support Manager (minutes)
Ellen Bird	Student Placement (NNR) (Young Employee Panel)
Lynda Thomson	Head of People & Organisational Development (item 8)
Clive Mitchell	Outcome Manager - People and Nature (Item 9)
Peter Rawcliffe	Head of People and Places (item 11)
Abi Gardner	Placemaking Support Officer (item 12)

APOLOGIES

Cath Denholm	Deputy Chair
Jackie Hyland	Member

OBSERVERS

Shona Nicholson	Chief Executive Officer (Bord na Gàidhlig – items 11-14)
Johan Smith	Board Member (Bord na Gàidhlig – items 11-14)

AGENDA ITEM 1: OPENING REMARKS AND APOLOGIES

1. Deputy Chair Angus Campbell opened the meeting by welcoming everyone to the one hundred and eighty-fifth Scottish Natural Heritage (SNH) Board meeting, particularly Ellen Bird from SNH's Young Employee Panel. He informed that the Chair would be joining the meeting at a later point, as would Aoife Martin. A reminder was given that the meeting was being video recorded for the purposes of the minutes only, and would be deleted after use. There were no objections. It was noted that Bord na Gàidhlig colleagues would be joining from agenda items 11-14, to gain a sense of how online meetings are operated.
2. Apologies were noted from Cath Denholm and Jackie Hyland.

AGENDA ITEM 2: DECLARATIONS OF INTEREST

3. There were no declarations of interest.

AGENDA ITEM 3: MINUTES AND ACTION POINTS

4. Board members were content to **approve** the minutes of the SNH Board Meeting on the 11 March 2020, having previously requested adjustments.

Action Points

5. The **actions points** were discussed and the following updates were provided:

Action Point (AP07/177) Robbie Kernahan updated that publishing of the Wildlife Management Principles had been delayed by Covid-19, but have now been published.

Discharged.

Action Point (AP13/181) Ross Johnston informed that SNH is awaiting direction from Scottish Government (SG) on the disposal of Kinloch Castle, however this is expected to remain ongoing due to the priority of Covid-19 related work.

Ongoing.

Action Point (AP02/183) Robbie Kernahan provided an update that changes to species on the general licencing lists had gone live.

Discharged.

6. Board members agreed to discharge **AP103/180** (Developing a Prioritised List of Translocation), **AP11/181** (Re-work of Deep Dive – Grants and Funding), **AP01/183** (Review of Deep Dive Programme), **AP03/183** (Risk Register Review of SRDP Narrative), **AP01/184** (Strap Line Consideration for Business Plan 2020/21), and **AP02/184** (Annual Review Procedure for Policies).

AGENDA ITEM 4: MATTERS ARISING

7. There were no matters arising.

AGENDA ITEM 5: DEPUTY CHAIRS' REPORT

8. Angus Campbell updated that due to the current Covid-19 restrictions, he had attended no official meetings, however had taken part in numerous interactions virtually with SNH staff. Thanks on behalf of the Board were given to all SNH staff for the smooth transition they made from office, to working from home.
9. Due to undertaking priority Covid-19 related work, there was nothing for Cath Denholm to update at this time.

AGENDA ITEM 6: CHIEF EXECUTIVE'S REPORT (OFFICIAL – SENSITIVE)

10. The CE said that her report was very much influenced by the Covid-19 situation. Information was provided on the initial responses to the emerging situation by SNH, as well as work being undertaken to maintain momentum on strategic objectives and organisational development, and how SNH can contribute to a green recovery from Covid-19. The importance of staff wellbeing was highlighted, as well as consideration of longer term financial implications anticipated from Covid-19. The opportunity for SNH to be involved in discussions with SG to support the economic recovery was recognised.
11. Board members discussed Covid-19 restrictions, and how these might be relaxed by SG in the future, giving members of the public greater access to open spaces for exercise and health. It was acknowledged that SNH staff, with a role in access, had been providing useful information to landowners and managers regarding access regulations.
12. Discussion was held on how SNH might implement any relaxation of Covid-19 working restrictions, with the information paper number 1 (Update on SNH's Response to Coronavirus) being highlighted to Board members for deeper depth of coverage of this.
13. The Board noted the contents of the CE Report.

AGENDA ITEM 7: QUARTER 4 PERFORMANCE REPORTS

14. Stuart MacQuarrie presented the last performance paper of 2019/20 to the Board. The paper provided the Q4 update on performance towards delivering the business plan for 2019/20. The Board were asked to confirm that they were content with the overall progress to date, the headline achievements, and the opportunities and issues identified.

15. Outcome 1

Sally Thomas updated on the performance in Outcome 1, highlighting the following points:

- Covid-19 had impacted on performance for the last weeks of quarter 4, ('pause' on place-based work being developed with the Green Health Partnership) with the rest of the quarter/year being positive

- Consideration of the medium and long term impacts resulting from Covid-19 when restrictions are lifted
- Importance of capitalising on the emphasis that the Covid-19 situation has placed on nature during the lockdown
- How to eventually reopen National Nature Reserve (NNR) facilities and engage people with those, and the economic opportunities this could bring

16. Outcome 2

Sally Thomas briefed the Board on performance in Outcome 2, providing the following key points:

- Q4 had shown strong positive work, with tangible progress on significant issues
- Other issues needing further attention include site condition monitoring, and the knock on effect on data collection during the lockdown
- Target timescales for delivery phases of project work, including those funded through the Biodiversity Challenge Fund (BCF), are being reformulated due to Covid-19 related delays
- Possible challenges ahead if the landscape of delivery partners is influenced by Covid-19

17. Board members raised their concerns regarding the potential for illegal activities on Sites of Specific Scientific Interest (SSSIs) and other Protected Areas while lockdown restrictions are in place. Robbie Kernahan said that there was a greater risk however SNH staff were continuing to engage with Police Scotland on any reports of suspected illegal activity, and that they would attend the site in person, due to the essential nature of this work. Police Scotland are continuing to investigate where necessary, and have enforcement opportunities available to them.

18. Sally Thomas added that there had been no reports of criminal damage to SSSIs to date, and that remote sensing technology is being considered in place of physical site monitoring.

19. Outcome 3

Robbie Kernahan provided the following points of note to Board members:

- Strengthened relationship with SG Agriculture Rural Delivery Directorate, specifically with regard to expanding work to pilot outcome based payments, influencing approaches to natural capital
- Delivery of Agri-Environment Climate Scheme funding to around 500 land managers
- Ongoing work with Scottish National Investment Bank to invest in nature
- Leading Environment and Economy Leaders Group (EELG) partners on piloting natural capital investment plan work
- Sustainable Seas and Coasts – progress with Scottish Marine Environmental Enhancement Fund
- Launch of Year of Coasts and Waters community grant fund

- Response to SG call for input to the National Planning Framework 4, with the proposal to extend the walking and cycling network

20. The Board asked that they are sent a copy of the public facing summary response document for information.

Action Point 01/185

21. Outcome 4

Jane Macdonald reflected on the positive performance within Outcome 4, and provided the following key points:

- Significant progress in all teams, with specific achievements being the rollout of Windows 10, and the implementation of Fusion
- Transforming our Workplaces (TWP) project and organisational development work will continue, considering opportunities identified during response to Covid-19
- Business continuity work within the Outcome made for a challenging quarter
- Recognised the need to maximise the strategic advantages that emerge post Covid-19

22. Possible advantages of a post Covid-19 situation were discussed, including staff learning new skills and ways of working enabling greater efficiency when working from home, and possible impacts on the operational costs 10 year plan. It was highlighted that staff feedback had been collected from 2 recent staff wellbeing surveys, and consideration was being given to how the organisation works in the future.

23. Board members were keen to have their congratulations conveyed to staff for their performance, both during Q4 and throughout the year.

24. Finance Report

Stuart MacQuarrie provided an information on the financial situation at 6 April 2020, highlighting data from the report. The updated position at 4 May 2020 showed that budgets remained within tolerance.

25. In the overall budget there was currently a small forecast underspend. The ring-fenced element of the budget had shown volatility due to the closure of grants at the end of the financial year 2019/20. The practicality of obtaining relevant claim information from organisations due to Covid-19 was proving an issue. At this time it was uncertain how these accruals would be dealt with going forward.

26. Risk Report

Stuart MacQuarrie presented the Q4 Risk Report to the Board, and provided the following key points:

- Escalation of Risk No 583 'Coronavirus Pandemic – Business Impact' to the Corporate Risk Register, rated as High. The risk, being unable to maintain or complete progress on existing and planned work, is being managed through controls implemented as part of the business response model.
- As part of Risk No 583, Board were asked to note the repurposing of the Resourcing Group, the ongoing work of the Business Continuity group, and the Strategic Business Recovery Group as part of control measures

27. People Report

Jane Macdonald introduced this element of the quarterly performance reports, which focused on health, safety and wellbeing, workforce demographics, workforce development, and their impacts on the delivery of SNH priorities. The following areas were highlighted:

- Significant progress on a wide range of organisational development (OD) framework actions
- Staff wellbeing a particular focus during the Covid-19 situation, alongside other priorities
- Sickness absence rated Red, due to seasonal sickness, consistent with previous years
- Consideration of further steps to tackle equality differences in workforce demographics in light of low staff turnover
- Focus on dignity at work - upskilling leaders to respond to issues, and encouragement of staff to report concerns
- Attendance at public body steering group to inform opportunities for youth employment, while acknowledging the influence of financial constraints on this

28. Experience was shared concerning young apprenticeships in the Western Isles council. It was agreed that the council might provide some helpful information.

Action Point 02/185

29. Board members queried the number of Freedom of Information (FOI) requests received. They were informed of the process taken within the organisation, and that complexity is often more of a factor than the number of requests received. It was noted that the Wildlife Management area receive a high number of the FOI requests, and by making more information available to the public, it is hoped that the number of requests for this area will reduce.

Mike Cantlay and Aoife Martin join the meeting

30. The Board were content to note the quarter 4 report, and confirmed that they were impressed with the overall progress to date, the headline achievements, and the opportunities and issues raised. It was stated that progress was particularly impressive due to challenges presented by Covid-19, the declaration of the climate emergency, and the IPBES (Intergovernmental Science Policy Platform on Biodiversity and Ecosystem Services) report findings.

AGENDA ITEM 8: BUILDING BLOCK 2 – HOW WILL NATURESCOT DELIVER IT'S INFLUENCING AND DELIVERY ROLE? (OFFICIAL SENSITIVE)

31. Jane Macdonald introduced this paper, which provided an update on the business model approach that has been developed, confirmed progress to date, and described initial thinking on potential future roles for NatureScot in delivering a nature-rich future. The strategic development work undertaken will directly influence the Corporate Plan 2022-26.
32. Board were asked to note progress, endorse a further paper on this topic, support the CE pursuing leadership and collaboration on the Green Recovery, and approve a refreshed approach to the strategic development process and corporate plan production.
33. Lynda Thomson gave an overview of the OD detail in the paper, noting that the context for the influencing and delivery role of what will be NatureScot has changed considerably due to Covid-19. The importance of the CE having an enhanced leadership role through the EELG was stressed.
34. Detail was provided on the development work being undertaken to agree the proposed future 'offer' of SNH resources and focus to partners and stakeholders. There was recognition of the linkage between the OD plan, delivery, corporate plan development, and rebrand to NatureScot.
35. Discussion ensued around the detail of the CE's proposed leadership on the Green Recovery within EELG, considered as both an individual response by SNH, and SNH as part of a collective, offering a 'unique selling point' to a group response to recovery. The CE added that SNH had been in contact with the SG economic recovery group, reinforcing the importance of the organisational strategic objectives in the context of the Green Recovery.
36. The Board noted progress, endorsed a further paper on this topic to be tabled for the August Board meeting, supported the CE proposal to provide leadership within EELG on the Green Recovery, and approved a refreshed approach to the strategic development process and corporate plan.

AGENDA ITEM 9: DEEP DIVE – GRANTS AND FUNDING FOLLOW UP (OFFICIAL SENSITIVE)

37. Stuart MacQuarrie introduced this paper, which was a response to the Board's request for a 'deeper dive' into future grant funding. It provided more ambitious proposals, and a recognition of the potential for more extreme operating conditions.
38. The Board were asked to support a shift towards a challenge fund with other funders, and towards a multi- year place-based approach, to launch in April 2022.

39. Stuart provided the context that this consolidated grant offering proposal was the most preferable, particularly in light of Covid-19 and the impact this may have on delivery partners. Clive Mitchell indicated that this change was necessary due to the opportunity it gives to unlock more funding in support of a nature-rich future. It was suggested that working collaboratively would achieve a more positive impact on climate change and the state of nature.
40. During discussion of the preferred option, Board members made the following points:
- How SNH will decide on which projects are the more favoured for supporting, and whether this would alter what is currently achieved
 - Consideration of the balance between project funds and paybill funds
 - Amount of control SNH may have over how/where the funding is allocated
 - Opportunities to engage in new partnership working, e.g. Crown Estates Scotland
 - How any funding underspend might be treated
41. Board members requested clarity on the amount of funding being addressed within the paper. It was confirmed that a graded approach to phasing in changes was advocated, funding being initially available as grant funded projects reach their conclusion.
42. It was concluded that due to the volatile and quickly changing nature of the economy due to Covid-19, any decision to support a different direction in this arena should be delayed until later in the year. It was acknowledged that this postponement did not affect the organisations ability to respond to the current circumstances with a flexible approach, which was being achieved through working with the National Lottery Heritage Fund.

AGENDA ITEM 10: REVIEW OF DEEP DIVE PROGRAMME (OFFICIAL SENSITIVE)

43. The Review of Deep Dive Programme paper was requested by the Board following completion of the set of six reviews of the largest areas of spend within SNH, through the deep dive process. The paper aimed to conclude the process by summarising the key actions which have emerged, and how they fit with wider changes linked to the Corporate Plan and OD.
44. The Board were asked to agree to closure of the deep dive assessments, and to commission a review on the options around future flexibility in paybill as it aligns to the corporate outcomes, taking account of demographics, project funded posts and changes in underlying paybill make-up.

45. Stuart MacQuarrie highlighted that there had been progress in significant areas as a result of the deep dives, notably to the 10 year estate strategy, Protected Areas, and goose management agreements.
46. It was explained that there was a need for a review on the future flexibility of the paybill budget, with the aim of using that flexibility to progress increasing youth employment within the organisation. It was acknowledged that the current turbulent financial situation due to Covid-19 is likely to provide additional challenges.
47. It was agreed that the deep dive programme had provided useful insights for Board members into issues being encountered, and allowed an element of scrutiny. The Board therefore accepted the recommendations to close the deep dive programme, and commission a review on the options around future flexibility on the paybill budget.

*Shona MacLennan, Johan Smith and Abi Gardner join the meeting
Jason Ormiston and Mike Cantlay leave the meeting*

AGENDA ITEM 11: BEYOND REROUTE – ENGAGING YOUNG PEOPLE IN THE WORK OF SNH

48. Eileen Stuart introduced this paper, which further addressed the continuing legacy of the 2018 ‘Year of Young People’. The paper considered how to further engage young people in Scotland in both operational and strategic areas of SNH work, to improve biodiversity and deliver nature-based solutions to climate change. The Board were asked to discuss the strategic issues raised by the latest Young Scot report, to agree its recommendations, and to approve the proposals in response to it.
49. The paper made the following recommendations:
- SNH leadership should provide staff and external stakeholders with a clear commitment to strategically engage young people in all areas of SNH’s work
 - Develop a network of young people for staff to engage and work alongside
 - Ensure external young people are represented in SNH’s governance structures
50. Eileen informed that the recommendations in the paper had been developed by Young Scot drawing on work of the Reroute Panel and the evidence they had collected from staff and external organisations. The recommendations should be seen as part of our ongoing organisational commitment to wider equality, recognising the specific tools, techniques and benefits that working with young people brings to our work.
51. In discussion of the recommendations, the Board suggested that there were other ways in which young people could be engaged, rather than creating a standalone organisational network. Development of partnerships with other bodies who actively engage with young people was given as an example.

52. The Board were supportive of the thrust of the recommendations and keen that SNH were ambitious in their proposals for responding to ensure our engagement with young people was mature and sustainable. It was noted that there were difficulties in giving a blanket agreement to the strategic recommendations, given the number of elements contained within the recommendations.
53. Members agreed that the detailed responses to the recommendations from Reroute (Annex B) should be revisited by authors Eileen Stuart and Pete Rawcliffe, to provide greater clarity on the elements that the Board are asked to approve. It was suggested that some Board members work with the authors to achieve this. The subsequent proposal should then be returned to Board members via the Correspondence route, to be ratified as necessary at the next Board meeting in August.

Action Point 03/185

AGENDA ITEM 12: YOUTH EMPLOYMENT IN SNH

54. Ian Gillies introduced this paper, which sought to ensure that young people are represented and recognised within SNH, to enable diverse and inclusive action towards tackling the climate and biodiversity crises. The paper specifically considered the value of including young employees in decision making in all areas of the organisation.
55. The Board were asked to consider and approve 3 recommendations:
- 1. Ensure SNH's commitment to meeting the SG 5% of employees under the age of 25 target, reviewing progress on an annual basis
 - 2. A review of the current design and delivery of the graduate and student placements to ensure that actions highlighted within the paper are resolved and appoint the Young People Champion to oversee its delivery
 - 3. a) to confirm their support for SNH to explore ways in which a more formal role for a young person on the Board could be instituted, b) promote and influence this initiative through wider public duties and engagement with Scottish ministers and c) approve the review and renewal of the YEP Board Attendance Protocol
56. Abi Gardner updated on the YEP's views on why young people were specifically focused on, when they are one of several underrepresented groups in Scotland. One of the YEP's aims was to help reduce the average age of the SNH Board, and acknowledged the link with the paper at agenda item 11.
57. The Board discussed the first recommendation, and expressed the continued commitment of SNH to meeting the SG target of 5%. It was acknowledged by Abi Gardner that the paper didn't address other routes for youth employment such as apprenticeship programmes, which SNH has also adopted.

58. Various options to increase the number of young employees were considered, including apprenticeship programmes, and how these could lead into career progression within SNH. Jane Macdonald informed that the Resourcing Group were in the process of developing a more strategic approach to the employment of young people, within wider paybill management.
59. The forthcoming round of Board appointments was recognised as an opportunity to promote Board membership to young people, and to boost interest from individuals with the skills and experience needed.
60. In considering the second recommendation, members welcomed additional detail on how apprenticeships, graduate and student placements might fit into the future organisational design.
61. On the third recommendation, Board members were not content to approve parts 3(a) and 3(b). They did support further investigation into how young people could be more embedded in decision making within SNH, including at Board level. Board therefore agreed that the YEP should continue to engage with People & OD and SLT to identify opportunities to do this. It was agreed that this work should be co-ordinated within the actions flowing from agenda item 11.

Action Point 04/185

AGENDA ITEM 13: AUDIT AND RISK COMMITTEE (ARC) ANNUAL REPORT 2019/20

62. The ARC Annual Report for 2019/20 was presented to the Board for consideration by the ARC Chair. The Board were asked to approve the work of the ARC during 2019/20 as being relevant to support the Board in upholding its governance responsibilities.
63. Points of note provided by the ARC Chair were:
- Internal audit report findings were all rated 'good' or 'satisfactory' with one exception
 - The ARC have worked to improve processes within the business, including within the EU Exit Readiness Plan
 - Co-sourcing arrangements with BDO have now ceased, and commenced with successful bidder Scott-Moncrieff
 - Particular focus this year on the Corporate Risk Register, and how the business adapts to corporate risk, and risk appetite
 - A series of Deep Dives examined longer term risks, and introduced an evolving process on whether corporate risks could be converted to operational risks
 - ARC maintained a watching brief over the Fusion project, noting the increased impact of work on the Finance team

- Update email to Board members on 27 April 2020 regarding the possibility of annual accounts being given a qualification by Audit Scotland due to the Covid-19 related difficulties of obtaining enough detail to approve the accounts
- Upcoming challenge as Head of Finance, Planning and Performance post becomes vacant, however support to ARC will continue via Mairi Gunn and Jane Macdonald

64. The Board approved the work of the ARC during 2019/20 as being relevant to support the Board in upholding its governance responsibilities, and provided their thanks for the work completed throughout the year.

AGENDA ITEM 14: SCIENTIFIC ADVISORY COMMITTEE (SAC) ANNUAL REPORT 2019/20

65. The SAC Annual Report for 2019/20 was presented to the Board for consideration by the SAC Chair. The Board were asked to note the ongoing activities of the SAC and its subgroups.

66. The following points of note were given by the SAC Chair:

- SAC and subgroups busy over the year, including the forest edge effects of Caithness and Sutherland Peatlands SPA and SAC subgroup, which provided support for ongoing SNH activity
- Monitoring and surveillance requirements for protected areas and surrounding landscapes subgroup's work had wider ramifications on future policy costs of site condition monitoring. The group has grown to include colleagues from Natural England, amongst others.

67. The Board were content to note the ongoing activities of the SAC and its subgroups.

Shona Maclellan and Johan Smith leave the meeting

AGENDA ITEM 15: PROTECTED AREAS COMMITTEE (PAC) ANNUAL REPORT 2019/20 (OFFICIAL-SENSITIVE)

68. The PAC Annual Report for 2019/20 was presented to the Board for consideration by the PAC Chair. The Board were asked to note the contents of the paper which reflected the work undertaken by the PAC during the year.

69. The following points of note were given by the PAC Chair:

- The PAC met 3 times during the year, and undertook work on Marine Protected Areas network, and reviewing Special Sites of Scientific Interest (SSSI) in response to applications from landowners

- Forveran Links SSSI de-designation issues are being worked through, following notification of the landowner's objections. SNH have 1 year to review (deadline December 2020) the situation and make a final decision on the designation status. The decision will be tabled as an agenda item at a future Board meeting for awareness.

70. The PAC Chair and Sally Thomas provided a brief update regarding Board commissions to the PAC, informing that there had been 3 workshops planned, which will prove challenging to achieve in the current Covid-19 situation. Alternatives are being considered, it is expected that the October deadline will be met.

71. The PAC Chair wished to record her thanks to the PAC members, Sally Thomas, and SNH staff for their support and work over the last year.

72. The Board were content to note the contents of the paper reflecting the work undertaken by the PAC during the past year.

INFORMATION PAPERS

Update on SNH's Response to Coronavirus

73. This information paper updated the Board members on an Emergency Business Plan for quarter 1 2020/21, which focuses on business critical work within the constraints caused by Coronavirus. It remains focused on supporting work to enhance biodiversity, to lead on nature-based solutions to climate change, and supporting a Green Recovery. The Board noted the contents of the paper.

An Update on Conservation Translocations and Next Steps

74. This information paper provides an update on work carried out since the Board paper on conservation translocations in September 2019, particularly the conservation translocation prioritisation exercise completed in collaboration with Royal Botanic Garden Edinburgh. Opportunities to work with the IUCN (International Union for Conservation of Nature Conservation) Translocation Specialist Group was also stated. The Board noted the contents of the paper.

Outdoor Learning in Nature - Update

75. This information paper offered an update on SNH's work on outdoor learning during the current corporate strategy period. The development of outdoor learning practice is a key outcome sought by the Scottish Biodiversity Challenge and Route Map to 2020. The Board noted the contents of the paper.

Forward Agenda – 26 August 2020

76. The Board noted the forward agenda for 26 August 2020.

ANY OTHER BUSINESS (AOB)

77. None.

Date of Next Meeting

78. The next SNH Board Meeting is planned to take place on 26 August. The location will be confirmed in light of the Covid19 situation.

79. The Chair thanked all those in attendance, particularly Deputy Chair Angus Campbell for chairing much of the meeting due to intermittent technical issues, and Ellen Bird of the Young Employee Panel. The Chair then closed the meeting.

END